

2021 Impact Fee Update: Public School Facilities Town of Newton, New Hampshire

Basis of Assessment and Fee Schedule Options

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Prepared for:

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A. Purpose of Report

The purpose of this report is to update the basis for school impact fee assessments in the Town of Newton, New Hampshire. The original basis of assessment adopted by the Town was: Methodology for the Calculation of School Impact Fees in the Town of Newton, NH (November 22, 1999). Subsequent updates were prepared in 2005 and in 2013 by BCM Planning. If this 2021 report is adopted by the Town as a revised basis for the school impact fee assessment, the original study and all updates should be retained to document the historical basis for the impact fee assessment.

B. Summary of Fee Schedule Update 2021

Since the inception of the school impact fee, the town of Newton has used a fee schedule that provides for a fee per dwelling unit by structure type. In the 2013 analysis and in this 2021 update, we have included an alternative fee schedule per square foot of living area. The alternative approach has been included in the event the Town wishes to change its method of assessing the school impact fees.

While the last fee update included fees for five different structural types, the 2021 update sets forth a schedule based on two structure types only: single family homes and all other types of units. “All other” would include townhouses, two or more family structures, and manufactured housing.

Newton School Impact Fee Alternatives 2021			
Impact Fee Method (1)	Single Family Homes	Other Structure Types	Accessory Apartment
Per Unit by Structure Type			(@ 25% of SF Fee)
Method A	\$5,349	\$2,359	\$1,337
Method B	\$5,696	\$2,509	\$1,424
Per Sq. Ft. of Living Area Option (2)			
Method A	\$2.70	\$2.39	\$2.39
Method B	\$2.88	\$2.54	\$2.54
(1) Method A cost basis reflects adjusted construction cost estimates. Method B reflects 2021 replacement costs based on insured values of buildings and contents.			
(2) If the square foot method is used, the Town should establish a maximum living area subject to assessment.			

Given the very limited portion of the Newton housing stock that is not of single family detached construction, and the level of detail available to estimate enrollment per unit by type of structure, this simplified schedule should still provide a proportionate basis for assessment of the school impact fee.

Accessory dwelling units (ADUs) are currently assessed as a special category because of the

particular conditions that must be satisfied for the creation of such units. The Town zoning standards for ADUs have changed since the 2013 update, when ADUs were limited to one bedroom and not more than 500 square feet. ADUs are now limited to not more than 800 square feet and two bedrooms. Based on our research of relative impacts in other New Hampshire communities, an ADU may be reasonably assessed at 25% of the adopted single

family rate resulting in a standard fee for ADUs at \$1,337 per unit to \$1,424. This would be consistent with the Town's historic practice of assessing a fixed standard fee per unit.

Another option would be to apply the square foot rate (\$2.39 - \$2.54) for "all other" housing to the net new living area resulting from the creation of the ADU. This more flexible approach

Rate Per Sq. Ft.	Net New Living Area Created by ADU			
	500	600	700	800
\$2.39	\$1,195	\$1,434	\$1,673	\$1,912
\$2.54	\$1,270	\$1,524	\$1,778	\$2,032

would allow a 500 square foot unit to be assessed at \$1,195 to \$1,270, while a unit with a maximum living area of 800 square feet would be assessed a fee of \$1,912 to \$2,032.

We recommend that consideration should also be given to providing an exemption for small one bedroom ADUs (as well as all other small one bedroom units under a certain size (say under 500 square feet) from paying any school fee. In most recent studies we have prepared, the enrollment impacts of these small one bedroom apartments are virtually negligible.

The Town has the option of discounting the calculated fees in the schedule by a fixed percentage across all dwelling unit types if it wishes to assess a lower impact fee.

C. Demographic Profile 1990-2019 Estimates

The most recent estimates indicate that in 2019 Newton had a population of 4,967 and a total of 1,926 housing units. As of 2019, American Community Survey sample data indicates that there were an average of 0.38 school age (5-17) children per household (in occupied units).

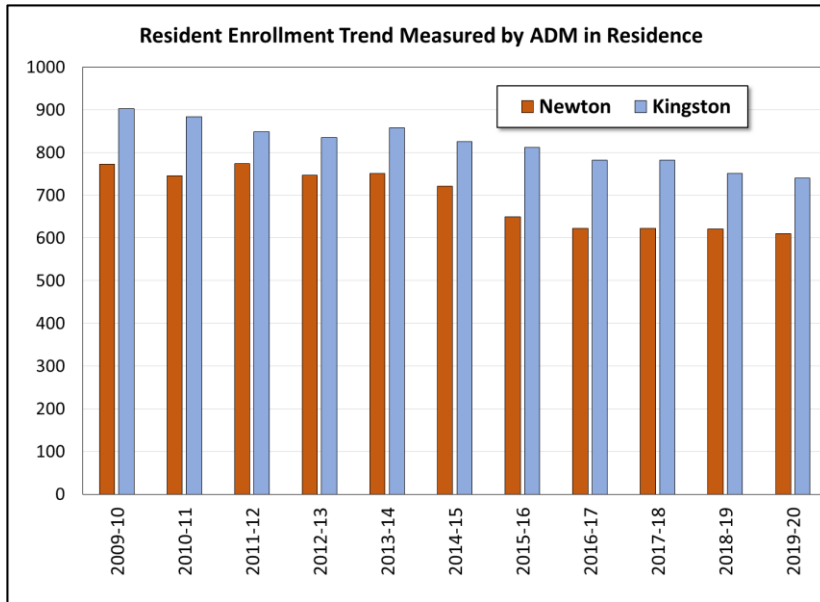
NEWTON HOUSING AND DEMOGRAPHIC CHANGE 1990-2019						
NEWTON, New Hampshire	1980 Census	1990 Census	2000 Census	2010 Census	2019 ACS Sample Estimates	2019 NHOSI Estimates
Population	3,068	3,473	4,289	4,603	4,920	4,967
In Group Quarters	0	0	0	0	0	0
In Households	3,068	3,473	4,289	4,603	4,920	4,967
Total Housing Units	1,095	1,251	1,552	1,751	1,903	1,926
Households (Occupied Units)	1,007	1,198	1,518	1,667	1,853	
Owner Occupied	790	973	1,279	1,404	1,487	
Renter Occupied	217	225	239	263	366	
% Renter	21.5%	18.8%	15.7%	15.8%	19.8%	
Average Household Size	3.05	2.90	2.83	2.76	2.66	
Population < 5 (Pre-School)	237	308	328	273	203	
Population 5-17 (School Age)	730	649	906	868	704	
Pre-School Population Per Household	0.235	0.257	0.216	0.164	0.110	
School Age Population Per Household	0.725	0.542	0.597	0.521	0.380	
Resident Public School Enrollment*	632	593	788	773	611	
Per Occupied Housing Unit	0.628	0.495	0.519	0.464	0.330	

Source of demographic data: U. S. Census 100% count data for 1980, 1990, 2000 and 2010. 2019 Estimates from ACS sample data, subject to high margin of error.

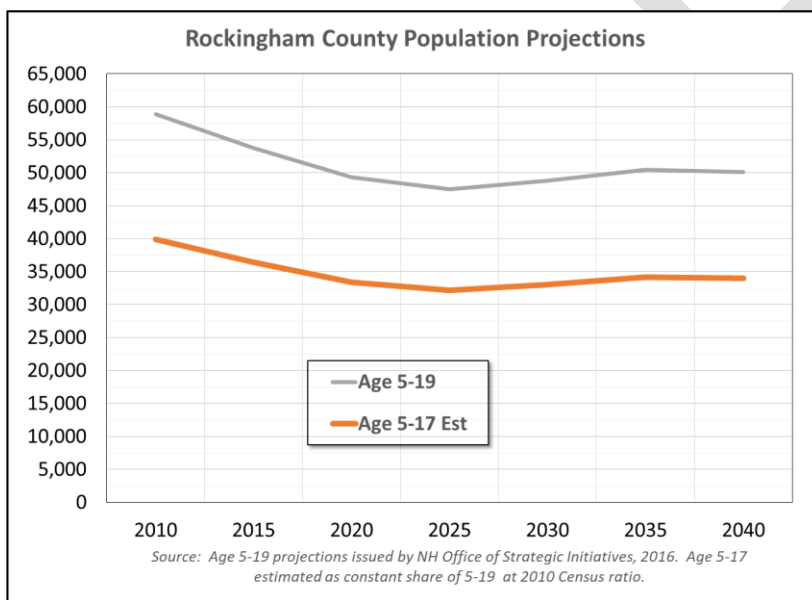
* Enrollment based on ADM in residence (NH Dept. of Education) for relevant academic year

Based on the ACS sample, the estimated resident public school enrollment for 2019 was about 0.33 per occupied housing unit (across all structure types).

These ratios reflect the average for all households, including those living in age-restricted developments. Enrollment per unit may be higher for the housing units subject to the school impact fee.



Resident public school enrollment within the Sanborn Regional School District has declined since the last fee update (2013) in both Newton and Kingston, though Newton's enrollment appears to have leveled off in the most recent years shown. It is likely that the effects of COVID-19 will have a temporary effect on elementary school counts for the school year that began October 2020.



Long term population projections for Rockingham County (issued in 2016) forecast a decline in the school age portion of about 4% from 2020 to 2025. The projections show potential for an increase of about 5.5% over the 15-year period 2025-2040. Even if that were to occur, the year 2040 school age population may be only 1.6% greater than it was in 2020.

These projections were made in 2016; data from the 2020 Census is not yet available for comparison to or adjustment of these projections.

A reduction in the enrollment ratio per dwelling unit is essential in this update in order to retain a proportionate basis for the fee that reflects average enrollment demand per housing unit on school facilities.

D. Housing Characteristics Update

Using Newton property assessment data, BCM Planning identified about 1,900 total housing units in Newton. (There may be others such as apartments within mixed use buildings). Of the total count, about 156 units are in age-restricted housing developments (45 of which are in senior rental housing). Our analysis focuses on the housing stock that is not age restricted, as these units are not subject to a school impact fee assessment.

Characteristics of Newton Single Family Units by Year Built					
Year Built	Housing Units	Effective Area	Total Valuation	Average Effective Area	Average Valuation
Pre-1970	531	1,002,576	\$ 158,759,100	1,888	\$ 298,981
1970s	225	442,237	\$ 71,142,400	1,965	\$ 316,188
1980s	204	427,246	\$ 67,993,800	2,094	\$ 333,303
1990s	284	678,397	\$ 107,414,700	2,389	\$ 378,221
2000 or Later	295	840,480	\$ 126,397,800	2,849	\$ 428,467
Total	1,539	3,390,936	\$ 531,707,800	2,203	\$ 345,489
Built Prior to 2000 (Before Impact Fees)	1,244	2,550,456	\$ 405,310,000	2,050	\$ 325,812
Built 2000 or Later	295	840,480	\$ 126,397,800	2,849	\$ 428,467
2000 or Later % of Total	19%	25%	24%		
Ratio SF Home Built 2000 or Later to Average SF Home				1.29	1.24
Note: Tabulation of housing characteristics excludes age restricted housing developments					

Characteristics of the single family housing stock are summarized here with respect to year built, valuation and relative unit size.¹ About 19% of the Town's single family housing stock (excluding age restricted units) and 25% of its floor area has been put in place since impact fees were first assessed (late 2000).

Newton Housing Characteristics for Two Structure Groups by Number of Bedrooms Per Unit (Excludes Age Restricted Housing Developments)					
Type of Structure and Bedrooms	Housing Units	Effective Area	Total Valuation	Average Effective Area	Average Valuation
Single Family Units					
One BR	9	7,913	\$ 2,281,500	879	\$253,500
Two BR	270	434,704	\$ 76,083,900	1,610	\$281,792
Three BR	1,078	2,393,867	\$ 374,528,800	2,221	\$347,429
Four or More BR	182	554,452	\$ 78,813,600	3,046	\$433,042
Total Single Family	1,539	3,390,936	\$ 531,707,800	2,203	\$345,489
All Other Units					
One BR	22	10,661	\$ 2,357,200	485	\$107,145
Two BR	145	142,138	\$ 15,994,900	980	\$110,310
Three BR	38	62,435	\$ 8,469,700	1,643	\$222,887
Four or More BR	0	0	\$ -		
Total Other	205	215,234	\$ 26,821,800	1,050	\$130,838
All Housing Units					
One BR	31	18,574	\$ 4,638,700	599	\$149,635
Two BR	415	576,842	\$ 92,078,800	1,390	\$221,877
Three BR	1,116	2,456,302	\$ 382,998,500	2,201	\$343,189
Four or More BR	182	554,452	\$ 78,813,600	3,046	\$433,042
Total Housing Units	1,744	3,606,170	\$ 558,529,600	2,068	\$320,258
Note: Tabulation of housing characteristics excludes age restricted housing developments					

Characteristics of single family homes versus other structure types are illustrated here by number of bedrooms with related data on effective area and average assessed valuation.

A small number of attached units were included in the single family category because their average floor was more similar to single family detached homes than to typical two or more unit structures. There are only about 205 housing units in

structure types other than single family housing.

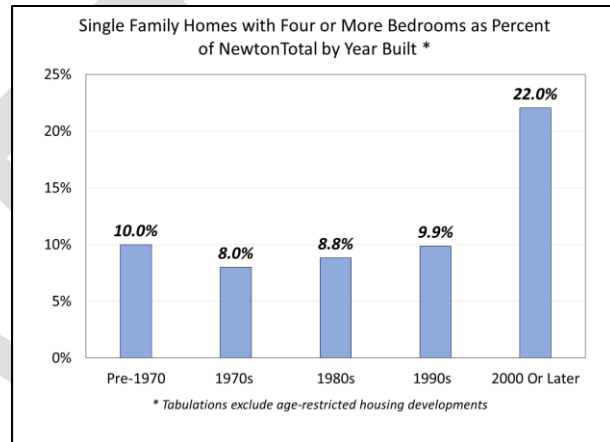
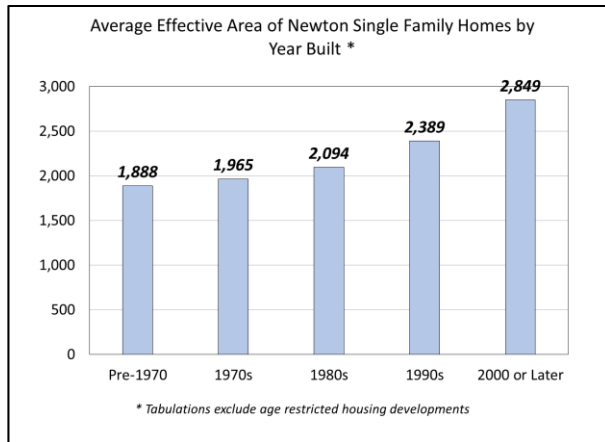
¹ The property assessment system provided data on the "effective area" of housing units, which is a measurement used to assign assessed values. For most housing units, the actual gross living area is smaller than the figures shown here for average effective area.

Composition of "Other Housing Units" Category		
Structure Type	Housing Units	% of "Other Units" Group
Two Unit Structure	48	23.4%
Mutifamily Structure	110	53.7%
Manufactured Housing	47	22.9%
Total "Other" Housing	205	100.0%

Note: Tabulation of housing characteristics excludes age restricted housing developments

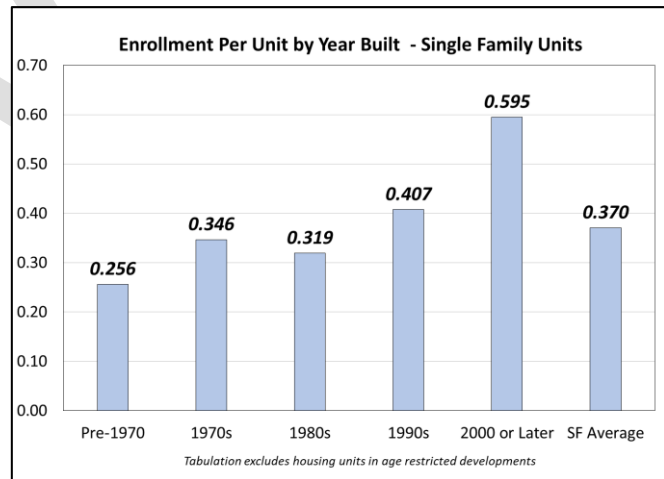
The breakdown of "other units" (non-single family) is shown here. A little over half of these units are in multifamily structures (3+ units); the balance are split about evenly between two unit structures and manufactured housing.

For the purpose of impact fee assessment, this update has consolidated these structure types into a single category, and associated with their total enrollment counts.



Single family homes constructed since the initiation of the school impact fee (2000) are considerably larger than those developed in prior periods. The percentage of homes with four or more bedrooms is about twice as high for units built 2000 or later than in all of the previous periods tabulated.

The higher proportion of new homes with four or more bedrooms probably accounts for their higher enrollment at 0.595 pupils per unit, compared to the average single family home at 0.370 per unit.



Our tabulation of the data on enrollment by the age of housing units indicates that 30% of Newton students live in a housing unit that was constructed over the last 20 years (since the school impact fee assessments first became effective). In the absence of new development contributing to the school population, current enrollment might be 30% lower than it is today.

E. Public School Enrollment Ratios by Housing Type

A proportionate school impact fee requires a reasonable estimate of the average demand that a housing unit places on school facility space and related capital investment. In this update we sought to associate resident enrollment counts in Newton to the Town's housing characteristics based on residential property assessment information (excluding housing that is age-restricted to senior occupancy).

Through its Business Administrator, the Sanborn Regional School District worked with BCM Planning to associate enrollment counts by housing classifications while maintaining the confidentiality of student information. BCM Planning provided the District with a spreadsheet of residential property in Newton by address, with housing units at each property coded as to type of structure (single family vs. "other", year built range, and bedroom grouping. The District then matched its count of students associated with the addresses in the file, and summed the results by the housing code classifications. The file transmitted from the District to BCM Planning for analysis contained only the summary information as a breakdown of the number of students by housing classification codes.

BCM Planning made two adjustments to this data before estimating school enrollment ratios. First, not all students in the District records could be associated with a physical address within the assessment file. Therefore, an upward adjustment to the counts was made to compensate for the percentage of cases that could not be assigned. Second, an upward adjustment was made to the elementary enrollment counts to reflect the effect of the COVID-19 pandemic that depressed enrollment counts in the pre-school and kindergarten grades.

Estimated Public School Enrollment Ratios for Newton 2021			
Ratio Type	Elementary School (PS to Grade 6)	Middle & High School (Grades 7 to 12)	Total all Grades
Pupils Per Dwelling Unit			
Single Family Homes	0.187	0.183	0.370
All Other Types	0.077	0.081	0.157
Average All Types	0.174	0.171	0.345
Pupils Per 1000 Square Feet of Living Area			
Single Family	0.0945	0.0925	0.1871
All Other	0.0781	0.0823	0.1604
Average All Types	0.0937	0.0920	0.1857
Pupils Per Housing Unit by Number of Bedrooms			
One Bedroom	0.0244	0.0112	0.0356
Two Bedrooms	0.0911	0.1157	0.2068
Three Bedrooms	0.2004	0.1810	0.3814
Four or More Bedrooms	0.2525	0.3008	0.5534

The resulting enrollment ratios used in the impact fee models are summarized here. The ratios were computed after excluding dwelling units that are age-restricted (age 55+).

The tabulation of this data allowed BCM Planning to associate enrollment totals with its separate count of Newton housing units by structure type, period of construction, bedroom grouping, and average size.

In 2020, students in grades 7-8 were relocated from the former Sanborn Regional Middle School in Newton and integrated into the Sanborn Regional High School building. Since grades 7-12 are now housed at the same site, the impact fee computations in this update are based on two facility components: elementary grades PS to 6 and middle/high school grades 7 to 12.

Since the original fees were computed in 1999, Newton's school impact fee has been assessed per dwelling unit. The other ratios are for comparison and to support alternative methods of assessment should a change in methods be needed.

While the newest single family stock showed relatively high enrollment ratios in comparison to the town average for all single family homes, the impact fee basis relies on enrollment the overall Town average for all units of the same structure category.

F. District Facility Capacity and School Floor Area per Pupil

Elementary Schools: The D. J. Bakie Elementary school (Kingston) was last expanded in 1989 when 13 classrooms, a cafeteria and kitchen were added. The capacity of the school is estimated at 458. Fall 2020 enrollment was 342 or about 75% of capacity. In 1989 Memorial Elementary School in Newton gained 5 permanent classrooms, a gym, and a kitchen. A modular addition was added in 2000. Two detached (free-standing) are also on site.

Memorial School enrollment as of Fall 2020 was at 71% of capacity. Overall the two elementary schools have an estimated capacity of 836; enrollment in the schools as of October 2020 was 610, representing 61% of total capacity.²

There was a recent shift in the grade levels served by the two elementary schools. Prior to the October 2020 academic year, both the elementary schools served pre-school to grade 6 students. Currently students in preschool and grades K-3 attend Bakie Elementary School and grade 4-6 students attend the Memorial School. (The sixth grade students formerly attended the Sanborn Regional Middle School which is no longer used for public school purposes).

Former Sanborn Regional Middle School in Newton. During 2020, students in grade 7 and 8 were relocated to the Sanborn Regional High School facility. The sixth grade students were relocated to the Memorial Elementary School. The former middle school building has since been leased to a non-profit organization.

Sanborn Regional High School (and Middle School). The District's major facility investment was a new regional high school located in Kingston, completed in 2006 at a total development cost of \$31.47 million. This facility has a floor area of 210,000 square feet. At the time of its original construction, the estimated capacity of the school was 1,200 (classroom) and up to 1,400 (core

² Capacity estimates for the elementary schools reflect the current operating capacities estimated by New England School Development Council (NESDC) in a 2018 facility analysis and enrollment projection report.

facilities) or a weighted average capacity (based on space allocation) of **1,295**. Using this estimate of maximum capacity, the facility is currently at 62% of capacity.

In a 2018 report by the New England School Development Council (NESDC) the current operating capacity of the facility was estimated at the lower figure of **1,018**. The report assigned a maximum capacity based on student stations of 1,358, but adjusted that number by a utilization factor of 75%. At a capacity of estimate of 1,018, total enrollment would represent 79% of capacity.

SANBORN REGIONAL SCHOOL DISTRICT: SCHOOL FACILITIES AND ESTIMATED CAPACITY								
School Facilities	Original Yr. Built and Expansion Dates	Grades Served in 2020	Building Area Square Feet (1)	Pupil Capacity (1, 2)	Square Feet Per Pupil Capacity	October 2019 Enrollment	October 2020 Enrollment	2020 Enrollment as % of Capacity
ELEMENTARY SCHOOLS								
D. J. Bakie Elementary	1937; 1955; 1989 Added 13 classrooms, cafeteria, kitchen	Pre-K; K-3	58,785	458	128	341	342	75%
Memorial Elementary (1)	1956; 1964; 1989 Added 5 classrooms, gym, kitchen. Modularity added 2000, 2004	4-6	39,004	378	103	273	268	71%
Total Elementary		Pre-K to 6	97,789	836	117	614	610	73%
MIDDLE SCHOOL AND HIGH SCHOOL								
Sanborn Regional High School (Serving Grades 7-12)	New Construction 2005-2006. Middle School grades 7 & 8 were moved to the High School in 2020	7-12	210,000	See note 2 on capacity estimates				
		2005 weighted capacity estimate: 1,295 2018 NESDC Est. @ 75% Utilization: 1,018		162 206	859 859	809 809	62% 79%	
TOTAL FLOOR AREA, CAPACITY AND ENROLLMENT		Pre-K to 12	307,789	2,131	144	1,473	1,419	67%
(1) Elementary schools capacity estimates and floor area reflect current operating capacities indicated by 2018 assessment by New England School Development Council (NESDC)								
(2) Original high school capacity based on 2005 Team Design architects space distribution of core facilities (1,400) vs. classroom space (1,200). Floor area adjusted from original design estimate of 206,000 square feet to 210,000 square feet as estimated in 2016 Facilities Study by Marinace Architects.								

The high school was originally designed to provide for the needs of the District (Newton and Kingston) as well as tuition students from Fremont. Fremont is not a member of the District, but entered into a cost-sharing agreement with the Sanborn Regional School District to fund part of the debt service costs as part of a long-term tuition agreement for educating Fremont high school students.

At the time of its construction, the new high school was constructed to accommodate an estimated 1,200 pupils (classroom capacity) and 1,400 (core capacity) or a weighted average of 1,295 students. At the time of its construction (2006) the public high school enrollment of Newton, Kingston, and Fremont was 733 (October 2004). Therefore the initial design of the high school established a reserve capacity to accommodate about 562 more students than the baseline capacity needed at the time of construction.

Long term (10 year) enrollment projections prepared for the Sanborn Regional School District in 2018 by NESDC project a 10-year decline in enrollment. Projected PS-12 enrollment for 2019

was 1,466, very close to the actual count of 1,473. Projected enrollment for 2027 is 1,191 pupils, which would represent a 19% decline from the October 2019 figure.

Based on these projections, there is no anticipated demand for expanding the existing capacity of the public schools over the projection period. It is more likely that major capital investments will be oriented toward the improvement of existing facilities to meet educational program goals.

In 2016, Marinace Architects completed a facilities study for the Sanborn Regional School District that provided a recommended list of capital improvement projects, including cost projections for the year 2018. The five-year plan indicated a need for about \$4.5 million in capital investment in the elementary schools and the high school (excluding the now-retired Middle School) plus another \$1.7 million in athletic facilities, or a total of about \$6.2 million in potential costs. (These estimates were made prior to the transfer of the 7th and 8th grades to the high school.)

According to the report, the recommended projects included top priority items needed to bring buildings into code or ADA compliance, second tier projects involving upgrades that would preserve the learning experience of students, and a third level priority for upgrading or replacing facility components that likely to need upgrading or replacement within the next five years.

G. Facility Space per Pupil Assumptions for Impact Fee Assessment

Based on the foregoing review of estimated capacity relative to floor area of the schools, this impact fee update applies the following minimum space standards to define average demand on facility space per pupil:

Elementary Schools	117 sq. ft. per pupil capacity
Middle/High School	162 sq. ft. per pupil capacity
Total System Average	144 sq. ft. per pupil capacity

These averages are very close to the NH Department of Education State Building Aid guidelines of 120 square feet per pupil for elementary schools and up to 160 square feet per pupil for high schools in computing maximum building aid when it is applicable.

H. Facility Replacement Costs Assigned

1. Insured Values of the Schools

In the 2013 prior update of the Newton school impact fee, the capital value of school facilities was assigned based on the replacement costs of buildings and contents as estimated in the Sanborn Regional School District property insurance schedule. This schedule is updated below to current values as provided in February 2021.

SANBORN REGIONAL SCHOOL DISTRICT - INSURED VALUE OF SCHOOLS FEBRUARY 2021						
Facility Name	Insured Value Buildings	Insured Value Contents	Total Insured Value	Square Feet	Total Insured Value Per Square Foot	Building Only - Insured Value Per Sq. Ft.
D. J. Bakie Elementary School	\$ 12,183,700	\$ 1,438,700	\$ 13,622,400	58,755	\$ 232	\$ 207
Memorial Elementary School	\$ 8,051,600	\$ 955,100	\$ 9,006,700	39,004	\$ 231	\$ 206
Attached Modular Classrooms	\$ 155,100	\$ 54,300	\$ 209,400	1,828	\$ 115	\$ 85
Detached Modular Classrooms	\$ 153,800	\$ 53,500	\$ 207,300	1,800	\$ 115	\$ 85
Total Memorial Elementary	\$ 8,360,500	\$ 1,062,900	\$ 9,423,400	42,632	\$ 221	\$ 196
Total Elementary Schools	\$ 20,544,200	\$ 2,501,600	\$ 23,045,800	101,387	\$ 227	\$ 203
Sanborn Regional High School *	\$ 44,863,200	\$ 7,074,600	\$ 51,937,800	215,000	\$ 242	\$ 209
Total School Facilities	\$ 65,407,400	\$ 9,576,200	\$ 74,983,600	316,387	\$ 237	\$ 207
<i>Source: Current insured values provided by the District Business Administrator 02-02-2021</i>						
<i>* The high school building currently houses middle school grades 7-8 as well as high school grades 9-12</i>						

The capital values assigned include the portable classrooms owned by the District, which comprise a portion of total classroom capacity in the system. The replacement cost of buildings and contents averages **\$227** per square foot for the District elementary schools and **\$242** per square foot for the high school. These values will not necessarily reflect the actual full cost of construction such land acquisition, site development, utilities or outdoor athletic facilities. However, given that no new school construction is currently anticipated, these insured values provide one reasonable basis to assign capital costs within the fee basis.

2. Adjusted Construction Cost Estimates

In a 2016 Facilities Study, Marinace Architects estimated the cost to replace modular classrooms at the Memorial Elementary School with a standard construction addition of four classrooms at a cost of about **\$218** per square foot for a 4,500 square foot addition (assuming a 2018 project year).

The actual original cost to develop the Sanborn Regional High School was \$31.47 million (with \$29.77 million bonded). Using an RS Means construction cost index adjustment for the period 2006 (annual average) to January 2021 (a multiplier of 1.56) a present day development cost of \$49.09 million is indicated. Assuming a floor area of 215,000 square feet per the District insurance schedule, a 2021 equivalent construction cost would be **\$228** per square foot.

Two alternative capital cost assignments were used to estimate a supportable range of school impact fees:

<u>Facility</u>	<u>A. Construction Cost Per Sq. Ft.</u>	<u>B. Insured Value/Sq. Ft.</u>
Elementary Schools	\$ 218	\$ 227
Middle/High School	\$ 228	\$ 242

In order to estimate the historic net District cost to create existing school facilities, State Building Aid has been assumed at the historical level of 40% of capital costs (principal) at the elementary schools. For the new high school, however, the District received 45% State Building Aid because a third town, Fremont, was participating in the cost of the new facility. A tuition agreement between Fremont and the Sanborn Regional School District allowed the District to be reimbursed for a share of high school debt service costs, pro-rated based on proportionate enrollment.

I. Credit Allowances

Credit allowances for past and projected debt service have been updated and incorporated into the net impact fee calculation. The average assessed value of Newton housing units has been updated to 2021 using assessed valuation data provided by the Town in January 2021, and tabulated by BCM Planning, LLC. Credit allowances are computed as part of the impact fee calculation even though they are not required by NH RSA 674:21, V.

Credit allowances are calculated as an amount per thousand assessed valuation, and assigned on a per unit basis to each structural category. The first credit allowance calculation is for past debt service on the original bond that financed construction of the former middle school and the renovation of the elementary schools. The second credit allowance is computed to adjust for the use of modular classrooms (lower value classroom space) at the elementary level. The third credit calculation is for past and future debt service on a portion of the cost to build the new (2006) Sanborn Regional High School.

Newton School Impact Fee – 2021 Update

Credit Allowance 1: Elementary Schools Renovation/Expansion

IMPACT FEE CREDIT CALCULATION FOR PROPERTY TAX PAYMENTS SANBORN REGIONAL SCHOOL DISTRICT

ASSUMPTIONS

Principal Amount:	\$4,300,000	(NH Municipal Bond Bank - 1991 Refunding)
Term In Years:	20	
Interest Rate On Bonds:	Appr. 7.5% Avg	
State Aid To District:	40.00%	Of Principal Due on Bonds
Discount Rate:	5.00%	

Calendar Year	Principal Payment	Interest Payment	Less Rebate (Refinance)	Total Payment	Less State Aid @ 40% of Principal	Net Debt Service Of District	Newton Share of Cost	Newton Share of District Debt
PAST PAYMENTS (1993 or Later)								
1993	\$215,000	\$250,443	(\$15,507.14)	\$449,935	(\$86,000)	\$363,935	0.362200	\$131,817
1994	\$215,000	\$235,415	(\$5,533.26)	\$444,882	(\$86,000)	\$358,882	0.348500	\$125,070
1995	\$215,000	\$220,388	(\$3,536.63)	\$431,851	(\$86,000)	\$345,851	0.375000	\$129,694
1996	\$215,000	\$205,360	(\$149.66)	\$420,210	(\$86,000)	\$334,210	0.399500	\$133,517
1997	\$215,000	\$190,333	(\$151.81)	\$405,181	(\$86,000)	\$319,181	0.424992	\$135,649
1998	\$215,000	\$175,305	(\$106.61)	\$390,198	(\$86,000)	\$304,198	0.406841	\$123,760
1999	\$215,000	\$160,278	(\$310.20)	\$374,967	(\$86,000)	\$288,967	0.442539	\$127,879
2000	\$215,000	\$145,035	(\$267.60)	\$359,767	(\$86,000)	\$273,767	0.468782	\$128,337
2001	\$215,000	\$129,578	(\$609.78)	\$343,968	(\$86,000)	\$257,968	0.470058	\$121,260
2002	\$215,000	\$113,905	(\$169.39)	\$328,736	(\$86,000)	\$242,736	0.468285	\$113,669
2003	\$215,000	\$98,018		\$313,018	(\$86,000)	\$227,018	0.498686	\$113,210
2004	\$215,000	\$81,948		\$296,948	(\$86,000)	\$210,948	0.486501	\$102,626
2005	\$215,000	\$65,695		\$280,695	(\$86,000)	\$194,695	0.492431	\$95,874
2006	\$215,000	\$49,228		\$264,228	(\$86,000)	\$178,228	0.475182	\$84,690
2007	\$210,000	\$32,610		\$242,610	(\$84,000)	\$158,610	0.468232	\$74,266
2008	\$210,000	\$16,305		\$226,305	(\$84,000)	\$142,305	0.445985	\$63,466
1993 or Later	\$3,430,000	\$2,169,840	(\$26,342)	\$5,573,498	(\$1,372,000)	\$4,201,498		\$1,804,787

	Newton
Present Worth of Past Payments @ 5% (1993-2008):	\$3,361,586
2020 Net Local Assessed Valuation:	\$642,718,153
Portion Included in Credit Allowance	100%
Credited Amount for Capacity Development	\$3,361,586
Credit Per Thousand Val. For Vacant Land (Pre-Development)	\$5.23

NEWTON CREDIT CALCULATIONS ELEMENTARY SCHOOLS - PAST DEBT SERVICE				
Type of Structure	Avg Assessment Per Housing Unit	Raw Land Value @ 12% (1)	Credit Per Unit for Past Payments	Alternative Credit Per Square Foot
Single Family Home	\$346,000	\$41,520	\$217	\$0.11
All Other Housing Units	\$131,000	\$15,720	\$82	\$0.08
Average Housing Unit	\$320,000	\$38,400	\$201	\$0.11
(1) Raw land value assigned at 12% of total assessed value of completed housing unit. Cost breakdowns by the National Association of Home Builders indicates that raw land costs account for roughly 12% of the selling price of a new single family home.				

NEWTON CREDIT CALCULATIONS PAST PAYMENTS ELEMENTARY SCHOOLS - BY BEDROOMS IN UNIT			
Type of Structure	Avg Assessment Per Housing Unit	Raw Land Value @ 12%	Credit Per Unit for Past Payments
Two Bedrooms	\$222,000	\$26,640	\$139
Three BRs	\$343,000	\$41,160	\$215
Four or More BRs	\$433,000	\$433,000	\$272

Credit Allowance 2: Replacement of Modulares

The value of the modular classrooms at Memorial Elementary School is well below that of the average replacement cost of school facilities assigned in the impact fee cost basis. A 2016 facility study by Marinace Architects estimated a 2018 cost of \$982,000 to replace four modulares with permanent classroom space of 4,500 square feet (\$218 per square foot). A credit allowance is computed to recognize this replacement cost, and assumes no State Building Aid support.

Newton Credit Allowance - Replacement of Modular Classroom Space			
Replace Four Modulares With Masonry Construction			
Square Feet Needed	4,500		
Estimated Cost (Marinace, 2018 Projected)	\$982,000		
Indicated Cost Per Square Foot	\$218		
State Building Aid Assumed	None		
Newton Share of District Cost FY 2021	0.431568		
Newton Amount Credited for Modular Space	\$ 423,800		
Newton Assessed Valuation Fall 2020	\$ 642,718,153		
Credit per Thousand Valuation	\$ 0.66		
Newton Credit Calculations by Structural Group			
Type of Structure	Avg Assessment Per Housing Unit	Credit Per Housing Unit	Alternative Credit Per Square Foot
Single Family Home	\$346,000	\$228	\$0.12
All Other Units	\$131,000	\$86	\$0.09
Average Housing Unit	\$320,000	\$211	\$0.11
Bedrooms in Unit	Avg Assessment Per Housing Unit	Alternate Credit Per Housing Unit by Bedrooms	
Two Bedrooms	\$222,000	\$89	
Three Bedrooms	\$343,000	\$137	
Four or More Bedrooms	\$433,000	\$173	

Credit Allowance 3: Portion of Sanborn Regional High School Construction

The credited portion of the high school bond cost is the amount required to provide the replacement of high school space for base year District high school pupils at the time of construction (2005-2006). The pre-existing high school enrollment of the District (Newton-Kingston) at the time of construction was 553. Another 180 tuition students were anticipated from Fremont at that time.

At the assumed facility space standard of 162 square feet per high school pupil, 89,586 square feet were required to serve the Newton-Kingston baseline high school enrollment. This represents 43% of the total facility floor area of 210,000 square feet. The construction of the new facility rectified prior space deficiencies within the District's high school space, provided adequate capacity to absorb Fremont tuition students, and created substantial additional capacity capable of accommodating a significant expansion in future enrollment.

Newton School Impact Fee – 2021 Update

Sanborn Regional High School Capacity Needs Base Year (2006) as Share of Total	Pupils	Sq. Ft. Requird Per Pupil	Floor Area Required
Baseline High School Enrollment (2006)			
Kingston	295	162	47,790
Newton	258	162	41,796
District Baseline Need 2006	553		89,586
Accommodate Fremont Tuition	180	162	29,160
Baseline Including Fremont	733		118,746
Maximum Weighted Capacity @ Space Std.	1,295	162	210,000
Capacity for Additional Students	562		91,254
Total Baseline Need As % of Max Capacity	57%		
District Baseline Need as % of Max Capacity	43%		

NEW HIGH SCHOOL CONSTRUCTION 2006 IMPACT FEE CREDIT CALCULATION FOR PROPERTY TAX PAYMENTS SANBORN REGIONAL SCHOOL DISTRICT - HIGH SCHOOL								
ASSUMPTIONS								
Principal Amount:	\$29,770,200							
Term In Years:	20 Capital Appreciation Bond							
State Aid To District:	45.00% Of Principal Due on Bonds Due to Participation by Fremont							
Discount Rate:	5.00%							
Calendar Year	Principal Payment	Interest Payment After Refunding	Total Payment	Less State Building Aid @ 45% of Principal	Net Debt Service of District	Less Est. Fremont Contribution (1)	Remaining Debt Supported by Newton & Kingston	
2005	\$ 2,349,782	\$ 100,018	\$ 2,449,800	\$ (1,057,402)	\$ 1,392,398	\$ (50,589)	\$ 1,341,809	
2006	\$ 2,162,073	\$ 202,615	\$ 2,364,688	\$ (972,933)	\$ 1,391,755	\$ (135,988)	\$ 1,255,767	
2007	\$ 2,068,565	\$ 303,522	\$ 2,372,088	\$ (930,854)	\$ 1,441,233	\$ (253,163)	\$ 1,188,071	
2008	\$ 1,973,830	\$ 399,007	\$ 2,372,838	\$ (888,224)	\$ 1,484,614	\$ (374,698)	\$ 1,109,916	
2009	\$ 1,881,451	\$ 489,637	\$ 2,371,088	\$ (846,653)	\$ 1,524,435	\$ (402,451)	\$ 1,121,984	
2010	\$ 1,790,042	\$ 581,796	\$ 2,371,838	\$ (805,519)	\$ 1,566,319	\$ (428,873)	\$ 1,137,446	
2011	\$ 1,708,784	\$ 637,736	\$ 2,346,520	\$ (768,953)	\$ 1,577,567	\$ (461,465)	\$ 1,116,102	
2012	\$ 1,617,965	\$ 728,551	\$ 2,346,516	\$ (728,084)	\$ 1,618,431	\$ (487,318)	\$ 1,131,114	
2013	\$ 1,534,215	\$ 814,300	\$ 2,348,516	\$ (690,397)	\$ 1,658,119	\$ (497,214)	\$ 1,160,905	
2014	\$ 1,455,702	\$ 853,564	\$ 2,309,266	\$ (655,066)	\$ 1,654,200	\$ (537,408)	\$ 1,116,791	
2015	\$ 1,385,207	\$ 942,309	\$ 2,327,516	\$ (623,343)	\$ 1,704,172	\$ (529,986)	\$ 1,174,186	
2016	\$ 1,318,921	\$ 995,345	\$ 2,314,266	\$ (593,514)	\$ 1,720,751	\$ (544,139)	\$ 1,176,612	
2017	\$ 1,256,430	\$ 1,089,581	\$ 2,346,011	\$ (565,393)	\$ 1,780,617	\$ (532,846)	\$ 1,247,771	
2018	\$ 1,197,372	\$ 1,152,638	\$ 2,350,011	\$ (538,818)	\$ 1,811,193	\$ (539,983)	\$ 1,271,210	
2019	\$ 1,139,069	\$ 1,210,692	\$ 2,349,761	\$ (512,581)	\$ 1,837,180	\$ (579,586)	\$ 1,257,593	
2020	\$ 1,083,687	\$ 1,261,014	\$ 2,344,702	\$ (487,659)	\$ 1,857,042	\$ (606,410)	\$ 1,250,633	
2021	\$ 1,033,539	\$ 1,317,100	\$ 2,350,639	\$ (465,092)	\$ 1,885,547	\$ (603,567)	\$ 1,281,979	
2022	\$ 983,839	\$ 1,368,300	\$ 2,352,139	\$ (442,727)	\$ 1,909,412	\$ (605,747)	\$ 1,303,665	
2023	\$ 936,526	\$ 1,417,113	\$ 2,353,639	\$ (421,437)	\$ 1,932,202	\$ (612,812)	\$ 1,319,390	
2024	\$ 893,202	\$ 1,475,807	\$ 2,369,009	\$ (401,941)	\$ 1,967,068	\$ (620,793)	\$ 1,346,275	
Total	\$ 29,770,200	\$ 17,340,644	\$ 47,110,843	\$ (13,396,590)	\$ 33,714,253	\$ (9,405,036)	\$ 24,309,217	
PRESENT VALUE OF DEBT SERVICE PAYMENTS								
Net Present Value of Past Payments @ 5% (2005-2020): \$ 19,057,908								
Present Worth of Future Payments (2021-2024) \$ 5,251,309								
Newton Average Apportionment of Capital Costs @ 45%								
Past Payments Value Newton \$ 8,576,059								
Future Payments Value Newton \$ 2,363,089								
2020 Newton Local Assessed Valuation: \$ 642,718,153								
Newton Past Payment Credit Per \$1,000 Valuation \$ 13.34								
Future Payment Credit Per \$1,000 Valuation \$ 3.68								
% of Costs Attributable to Base Year District Enrollment (% of HS Capacity) 43%								
Amount Credited Per 1000 Valuation - Past \$ 5.74								
Amount Credited Per 1000 Valuation - Future \$ 1.58								

Newton School Impact Fee – 2021 Update

CREDIT CALCULATIONS FOR HIGH SCHOOL SPACE NEWTON - 2021					
Type of Structure	Average Assessed Value Per Housing Unit	Raw Land Value @ 12% (1)	Past Payment Credit - Payments from Vacant Land	Credit Allowance Future Debt Payments - Completed Unit	Total Credit Allowance Per Unit
Average Per Unit By Structure Type					
Single Family Home	\$346,000	\$41,520	\$238	\$547	\$785
All Other Housing Units	\$131,000	\$15,720	\$90	\$207	\$297
Average Housing Unit	\$320,000	\$38,400	\$220	\$506	\$726
<i>(1) Raw land value assigned at 12% of total assessed value of completed housing unit.</i>					
Average Per Square Foot for Two Structural Groupings					
Single Family Home	\$175	\$21	\$0.12	\$0.28	\$0.40
All Other Housing Units	\$134	\$16	\$0.09	\$0.21	\$0.30
Average Housing Unit	\$172	\$21	\$0.12	\$0.27	\$0.39
Average Per Unit by Number of Bedrooms					
One Bedroom	\$150,000	\$18,000	\$103	\$237	\$340
Two Bedrooms	\$222,000	\$26,640	\$153	\$351	\$504
Three BRs	\$343,000	\$41,160	\$236	\$542	\$778
Four or More BRs	\$433,000	\$51,960	\$298	\$684	\$982

IMPACT FEE CREDIT ALLOWANCE SUMMARY- NEWTON - 2021			
Type of Structure	Past Payments Credit	Future Payments Credit	Total Credit Allowance
Average Per Unit By Structure Type			
Single Family Home	\$455	\$775	\$1,230
All Other Housing Units	\$172	\$293	\$465
Average Housing Unit	\$421	\$717	\$1,138
Average Per Square Foot by Structure Type			
Single Family Detached	\$0.23	\$0.40	\$0.63
All Other Structure Types	\$0.17	\$0.30	\$0.47
Average Housing Unit	\$0.23	\$0.38	\$0.61
Average Per Unit by Number of Bedrooms			
Two Bedrooms	\$292	\$440	\$732
Three Bedrooms	\$451	\$679	\$1,130
Four or More Bedrooms	\$570	\$857	\$1,427

J. Impact Fee Calculations and Schedules

This section summarizes the 2021 calculations used to update the school impact fee. Both the existing assessment basis (per unit by type of structure) as well as a fee per square foot of living area option are presented. For both the per unit basis and the per square foot basis of assessment, two options are shown as **method A and method B**, reflecting alternative capital values assigned as the replacement cost of school facilities.

1. School Fee per Unit for Two Structural Groups

Method A – Capital Value at Estimated Construction Cost

NEWTON SCHOOL IMPACT FEE CALCULATION SUMMARY - FEE BY DWELLING UNIT TYPE - 2021									
Type of Housing Construction	School Facility Spatial Demands of Average Housing Units						Cost to Provide Facilities @ Indicated Replacement Cost \$/Sq. Ft.		
	Public School Enrollment Per Housing Unit			School Floor Area Per Pupil Capacity			\$218	\$228	Total Public School Development Cost Per Housing Unit
	Elementary Schools	Middle and High School	Total Public Schools	Elementary Schools	Middle and High School	Total Public Schools	Elementary Schools	Middle and High School	
Single Family Units	0.187	0.183	0.370	117	162	139	\$4,770	\$6,759	\$11,529
All Other Housing Units	0.077	0.081	0.158	117	162	140	\$1,964	\$2,992	\$4,956
Average Housing Unit	0.174	0.171	0.345	117	162	139	\$4,438	\$6,316	\$10,754
Type of Housing Construction	District Cost Per Housing Unit (Capital Cost Less State Building Aid % of Principal)			Credit Allowances			Impact Fee Per Dwelling Unit		
	K-8 Schools @ 40%	High School @ 45%	Total Public Schools	(See Worksheets for Details)					
Single Family Units	\$2,862	\$3,717	\$6,579	(\$1,230)			\$5,349		
All Other Housing Units	\$1,178	\$1,646	\$2,824	(\$465)			\$2,359		
Average Housing Unit	\$2,663	\$3,474	\$6,137	(\$1,138)			\$4,999		

Method B – Capital Cost Based on Replacement (Insured Values Buildings and Contents)

NEWTON SCHOOL IMPACT FEE CALCULATION SUMMARY - FEE BY DWELLING UNIT TYPE - 2021									
Type of Housing Construction	School Facility Spatial Demands of Average Housing Units						Cost to Provide Facilities @ Indicated Replacement Cost \$/Sq. Ft.		
	Public School Enrollment Per Housing Unit			School Floor Area Per Pupil Capacity			\$227	\$242	Total Public School Development Cost Per Housing Unit
	Elementary Schools	Middle and High School	Total Public Schools	Elementary Schools	Middle and High School	Total Public Schools	Elementary Schools	Middle and High School	
Single Family Units	0.187	0.183	0.370	117	162	139	\$4,967	\$7,174	\$12,141
All Other Housing Units	0.077	0.081	0.158	117	162	140	\$2,045	\$3,176	\$5,221
Average Housing Unit	0.174	0.171	0.345	117	162	139	\$4,621	\$6,704	\$11,325
Type of Housing Construction	District Cost Per Housing Unit (Capital Cost Less State Building Aid % of Principal)			Credit Allowances			Impact Fee Per Dwelling Unit		
	K-8 Schools @ 40%	High School @ 45%	Total Public Schools	(See Worksheets for Details)					
Single Family Units	\$2,980	\$3,946	\$6,926	(\$1,230)			\$5,696		
All Other Housing Units	\$1,227	\$1,747	\$2,974	(\$465)			\$2,509		
Average Housing Unit	\$2,773	\$3,687	\$6,460	(\$1,138)			\$5,322		

Newton School Impact Fee – 2021 Update

2. Alternative Fee per Square Foot of Living Area for Two Structural Groups

Method A – Capital Value at Estimated Construction Cost

NEWTON SCHOOL FACILITIES IMPACT FEE CALCULATION SUMMARY - FEE PER SQUARE FOOT OPTION 2021									
Type of Housing Construction	School Facility Spatial Demands of Average Housing Units						Cost to Provide Facilities @ Indicated Replacement Cost \$/Sq. Ft.		
	Public School Enrollment Per 1,000 Square Feet Living Area			School Floor Area Per Pupil Capacity			\$218	\$228	Total Public School Development Cost Per Sq. Ft. of Dwelling Unit Area
	Elementary Schools PS-6	Middle and High School 7-12	Total Public Schools	Elementary Schools PS-6	Middle and High School 7-12	Total Public Schools	Elementary Schools PS-6	Middle and High School 7-12	
Single Family Units	0.0945	0.0925	0.1871	117	162	139	\$2.41	\$3.42	\$5.83
All Other Housing Units	0.0781	0.0823	0.1604	117	162	140	\$1.99	\$3.04	\$5.03
Average Housing Unit	0.0937	0.0920	0.1857	117	162	139	\$2.39	\$3.40	\$5.79
Type of Housing Construction	District Cost Per Housing Unit (Capital Cost Less State Building Aid % of Principal)			Credit Allowances			Impact Fee Per Sq. Ft. of Living Area		
	Elementary Schools @ 40%	High School @ 45%	Total Public Schools	(See Worksheets for Details)					
Single Family Units	\$1.45	\$1.88	\$3.33	(\$0.63)			\$2.70		
All Other Housing Units	\$1.19	\$1.67	\$2.86	(\$0.47)			\$2.39		
Average Housing Unit	\$1.43	\$1.87	\$3.30	(\$0.61)			\$2.69		

Method B – Capital Cost Based on Replacement (Insured Values Buildings and Contents)

NEWTON SCHOOL FACILITIES IMPACT FEE CALCULATION SUMMARY - FEE PER SQUARE FOOT OPTION 2021									
Type of Housing Construction	School Facility Spatial Demands of Average Housing Units						Cost to Provide Facilities @ Indicated Replacement Cost \$/Sq. Ft.		
	Public School Enrollment Per 1,000 Square Feet Living Area			School Floor Area Per Pupil Capacity			\$227	\$242	Total Public School Development Cost Per Sq. Ft. of Dwelling Unit Area
	Elementary Schools PS-6	Middle and High School 7-12	Total Public Schools	Elementary Schools PS-6	Middle and High School 7-12	Total Public Schools	Elementary Schools PS-6	Middle and High School 7-12	
Single Family Units	0.0945	0.0925	0.1871	117	162	139	\$2.51	\$3.63	\$6.14
All Other Housing Units	0.0781	0.0823	0.1604	117	162	140	\$2.07	\$3.23	\$5.30
Average Housing Unit	0.0937	0.0920	0.1857	117	162	139	\$2.49	\$3.61	\$6.10
Type of Housing Construction	District Cost Per Housing Unit (Capital Cost Less State Building Aid % of Principal)			Credit Allowances			Impact Fee Per Sq. Ft. of Living Area		
	Elementary Schools @ 40%	High School @ 45%	Total Public Schools	(See Worksheets for Details)					
Single Family Units	\$1.51	\$2.00	\$3.51	(\$0.63)			\$2.88		
All Other Housing Units	\$1.24	\$1.77	\$3.01	(\$0.47)			\$2.54		
Average Housing Unit	\$1.49	\$1.98	\$3.47	(\$0.61)			\$2.86		

3. School Impact Fee for Accessory Apartments

At the time of the last update the Newton Zoning Ordinance limited accessory dwelling units (ADUs) to one bedroom and not more than 500 square feet of living area.

The ordinance has since been amended to allow larger ADUs having up to two bedroom and 800 square feet of living area. The potential for enrollment generation is significantly higher for ADUs with two bedrooms.

Other provisions limit ADUs to one of the units within an owner-occupied property, and ADUs are not permitted in detached accessory structures. The ADU must also have a direct access to the primary dwelling unit through a connecting inside door.

Where sample size has been adequate, research by BCM Planning in other New Hampshire communities has allowed for a comparison of school enrollment generation from single family properties with and without an apartment.³ In this research, we have found that a typical single family property with an apartment may have enrollment that is 25% - 30% higher than that of an average single family home without an apartment.

Based on that relationship, a standard school fee per ADU could reasonably be assessed at 25% of the computed single family rate (or at \$1,337 to \$1,424 per unit).

Another option would be to apply the square foot rate (\$2.39 to \$2.54) computed earlier for “all other” housing to the net new living area resulting from the creation of the ADU. This more flexible approach would allow a smaller 500 square foot ADU to be assessed at \$1,195 to \$1,270 and a maximum size unit of 800 square feet at \$1,912 to \$2,032.

In typical apartment developments, one bedroom units typically have negligible enrollment impacts. Therefore, we recommend that consideration be given to waiving impact fees for small ADUs that contain only one bedroom, or to extend such a waiver to all small one bedroom units with less than a certain living area (for example, under 500-600 square feet).

K. History of Changes in the Components of the Impact Fee

As impact fees are updated it is important to recognize the interval that has elapsed between recalculations of the amount. In Newton, the fee was first computed in 1999 and was last updated in 2013 (eight years ago).

A summary of the history of changes in the components the school impact fee applicable to a new single family home in Newton is shown below. This table comparison is based on the higher of the two impact fees computed for single family homes in this update (using insured values or “Method B” to represent facility replacement costs).

³ Based on data compiled from enrollment tabulations of 952 homes with apartments in Amherst, Bedford, Exeter, Manchester, Plaistow, Salem and Sandown impact fee studies.

Newton School Impact Fee – 2021 Update

Historical Comparison of Newton School Impact Fee Calculations for Single Family Home							
Capital Cost Factors	School Impact Fee Single Family Detached				Change in Fee 1999-2021		
	1999	2005	2013	2021	Amount	% Change	Avg Annual
Enrollment Per Unit	0.592	0.555	0.490	0.370	-0.222	-37.4%	-1.7%
Avg School Sq. Ft. Per Pupil Capacity	129	118	125	139	10	7.8%	0.4%
Weighted Avg Facility Cost Per Sq. Ft.	\$89	\$113	\$189	\$236	\$146.91	165.3%	7.5%
Capital Cost Per Home	\$6,789	\$7,389	\$11,546	\$12,141	\$5,352	78.8%	3.6%
State Building Aid % Assigned	(\$2,716)	(\$3,167)	(\$4,837)	(\$5,215)	(\$2,499)	92.0%	4.2%
(Avg % of Principal)	40%	43%	42%	43%			
Net District Cost After Building Aid	\$4,073	\$4,222	\$6,709	\$6,926	\$2,853	70.0%	3.2%
Less Credit Allowances	(\$697)	(\$751)	(\$2,377)	(\$1,230)	(\$533)	76.5%	3.5%
School Impact Fee	\$3,376	\$3,471	\$4,332	\$5,696	\$2,320	68.7%	3.1%
School Impact Fee Relative to Median Price of New Homes					Change in Median New Home Price		
Rockingham County Median New Home Price (NHHFA data)	1999	2005	2013	2020 Jan-Jul	1999 to Jan-July 2020		
	\$205,675	\$334,900	\$320,000	\$451,300	\$245,625	119.4%	5.7%
Impact Fee as % of Median Price	1.6%	1.3%	1.8%	1.3%			

While average enrollment per unit declined from 2013 to 2021, the replacement cost per square foot of school space increased, resulting in a net district capital cost per housing unit that is about the same as it was in 2013. However, a smaller credit allowance is deducted, principally due to the lower future debt service payments that new development will pay toward the construction of the high school.

Assuming the higher 2021 fee amount, the net result would be an increase in the single family school impact fee of \$1,364 from the 2013 fee schedule (a 31.5% increase for the period, or an annual average increment of about 3.9% *per year*.) Comparing the longer term change in the fee (using the high 2021 calculation) since its inception in 1999, there has been a 68.7% change in the fee from 1999 to 2021 (22 years), or an average of 3.1% *per year*.

At the lower 2021 single family impact fee computed at \$5,349, the change from the 2013 fee schedule would be \$1,017 (23.5%, or an average of 2.9% *per year*. The long term change in the fee since original calculated in 1999 to 2021 would be 58.4%, or a long term annual average increment of 2.7% *per year*.

As a relative measure of the school impact fee, the chart above shows the single family school impact fee as a percentage of the median sale price of new homes in Rockingham County at each of the calculation years. The 2021 impact fees calculated for a single family home is would be equivalent to 1.2% to 1.3% of the price of a new home. In the original fee and in prior updates, the fee represented from 1.3% to 1.8% of the median sale price of new homes in Rockingham County.

L. Use of School Impact Fee Revenue

There is substantial remaining capacity available in the District schools to accommodate the needs of new development for many years. This means that new housing development will continue to enjoy the benefits of school capacity that is already available to absorb its enrollment generation.

A substantial past investment has been made by the member towns of the District to provide that capacity. Based on the recoupment principle, these conditions would allow the school impact fee to continue to be assessed to recover a proportion of that past investment from new development.

1. Fee Revenue as Offset to Debt Service

Newton has historically applied its school Impact fees to its capital cost apportionment from the Sanborn Regional School District. This practice has allowed the impact fee revenue to offset a portion of the Town's share of debt service for school capacity development, and is the most direct way of keeping impact fee revenue aligned with the purpose of the assessment. This is accomplished by applying impact fees periodically to pay part of Newton's capital cost apportionment from the District.

Remaining school district debt service on school facilities includes payments for the construction of the high school, but this debt will be fully amortized sometime during 2024. This raises the question of how impact fee revenues might be used after that point if there is no remaining debt on school expansion or improvement projects.

2. Apply Revenue to Other Capital Expenses

Under RSA 674:21, V, impact fees may be used to pay for anticipated capital projects, **or to recoup** the cost of past capital improvements that accommodate the needs of new development. Since recoupment of capital costs is permitted, and given that impact fees cannot accrue to the general fund, in the absence of debt service on major projects, the most appropriate use of the school impact fee would be to apply those funds toward other capital improvements needed in the District schools.

This could still be accomplished through allocating the funds periodically toward Newton's apportionment of the capital costs of the District, but it is recommended that the Town and District identify capital project expense to which the fees might be applied.

The previously referenced school facilities study by Marinace Architects (2016) identified a need for about \$4.5 million in capital investment in the elementary schools and the high school (excluding the now-retired Middle School) plus another \$1.7 million in athletic facilities, or a total of about \$6.2 million in potential costs (2018 dollars).

While the specific recommendations of that facility study may or may not be implemented, the District's Facilities Committee periodically prepares a Capital Improvement Plan to anticipate capital spending. Items relating to facility improvement that are anticipated in either of these documents, or projects identified in consultation with the Facilities Committee could be subjects for reimbursement from school impact fee revenue. If no capital costs are identified for application of a fee within 6 years of its collection, the Town should refund the fee to the property owner per the terms of the impact fee article of the Zoning Ordinance.

Appendix: Newton School Impact Fees Collected 2000-2020

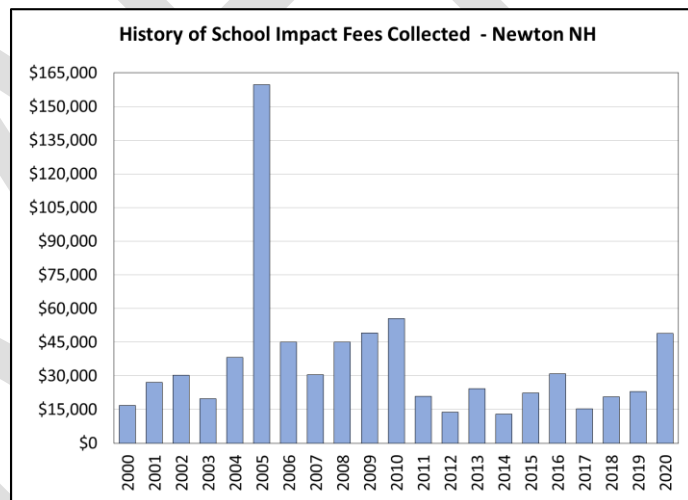
School Impact Fee Revenue - Newton NH (Excludes Interest on Accounts)		
Year	Amount Collected *	CPI-Adjusted to 2020
2000	\$16,880	\$25,370
2001	\$27,008	\$39,469
2002	\$30,384	\$43,712
2003	\$19,804	\$27,856
2004	\$38,290	\$52,461
2005	\$159,826	\$211,801
2006	\$45,137	\$57,946
2007	\$30,574	\$38,171
2008	\$45,123	\$54,241
2009	\$49,208	\$59,363
2010	\$55,536	\$65,916
2011	\$20,826	\$23,962
2012	\$13,884	\$15,651
2013	\$24,297	\$26,994
2014	\$12,996	\$14,208
2015	\$22,287	\$24,336
2016	\$30,951	\$33,376
2017	\$15,268	\$16,121
2018	\$20,630	\$21,263
2019	\$22,914	\$23,197
2020	\$48,906	\$48,906
Total	\$750,729	\$924,319

** Amounts represent funds collected and later transferred to School District per Town Reports. Totals collected by calendar year may differ.*

The first school impact fees were collected in the last months of 2000. Amounts shown in the left column of the table reflect amounts collected and applied toward school capital costs; the right column is calculated as a CPI-adjusted amount.

About \$924,000 has been collected in inflation-adjusted dollars since the fee was adopted.

Actual collections of the school impact fee vary by year according to the volume and type of housing built. Housing in age restricted developments are not assessed a school impact fee.



The 2020 figure shown in the table above does not include some fees that were collected during the calendar year that will not be transferred to the school district until 2021.